

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA17353

Date ISDS Prepared/Updated: 03-Mar-2016

Date ISDS Approved/Disclosed: 14-Jan-2015

I. BASIC INFORMATION

1. Basic Project Data

Country:	India	Project ID:	P130544
Project Name:	IN Karnataka Urban Water Supply Modernization Project (P130544)		
Task Team Leader(s):	William D. Kingdom		
Estimated Appraisal Date:	12-Feb-2015	Estimated Board Date:	31-Mar-2016
Managing Unit:	GWA06	Lending Instrument:	Specific Investment Loan
Sector(s):	Water supply (95%), Sanitation (5%)		
Theme(s):	City-wide Infrastructure and Service Delivery (100%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	153.00	Total Bank Financing:	100.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			53.00
International Bank for Reconstruction and Development			100.00
Total			153.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The Project Development Objective is to provide city-wide access to a continuous piped water supply in the eligible cities in the state of Karnataka, and to strengthen service delivery arrangements at the city level.

3. Project Description

An eligible city is one that the Bank and Government of Karnataka agree satisfies eligibility criteria

outlined in the Operations Manual including fiduciary and safeguard requirements and the award of a performance-based contract to a project operator.

Component Name

Component 1 – Capital Investment Program

Comments (optional)

- a) **Capital Works:** Includes bulk capacity augmentation; enhancing capacity or resilience of transmission/feeder mains; treatment plant renovations/capacity enhancement; service reservoir improvements; distribution network sectorization, pipeline rehabilitation/replacement; water meters for bulk supplies and consumer consumption; replacement of house connections; and new connections to low income households.
- b) **Service Improvement Plan:** The Operator will prepare and implement a Service Improvement Plan (SIP) which will set out the needed investments for capital works, utility systems and equipment.
- c) **Construction Management:** The Operator will act as the Client’s Construction Manager for implementing the SIP and will contract with third party contractors for delivery of the SIP.

Component Name

Component 2 – Institution Building

Comments (optional)

- a) **Partial financing of Operator Fees during the Transition Period:** The project will finance 50 percent of the Operator fee during the Transition Period as a result of the additional costs incurred at this time due to intensive staff training, capacity building, and heavier operating costs (especially for leakage control).
- b) **SPV (ULB-Owned Water Utility) set up and operations:** This includes operationalizing the SPVs including i) preparation of institutional staffing, training and delegation plan; ii) office equipment; iii) staff training costs; and iv) incremental operating costs.
- c) **Systems and Equipment for Service Delivery:** This includes all the systems (MIS, GIS, Billing and Collection, Call Center), equipment and preparation of Standard Operating Procedures for the water utility.

Component Name

Component 3 – Technical Assistance for Sector Development

Comments (optional)

- a) **Project Impact Evaluation:** This would assess the impact of providing continuous water supplies at both the household level and the city level.
- b) **Improving Social Accountability:** This would support implementation and routine capture of consumer feedback on the quality of WSS services in the eligible city and make it available on line for easy access by all stakeholders.
- c) **Improved dam management:** Preparation of Operation and Maintenance Plans and Emergency Preparedness Plans for dams under the Project to meet requirements under the Bank’s policy “Safety of Dams” (OP4.37).

Component Name

Component 4 - Project Management

Comments (optional)

This component finances activities to ensure efficient and effective project implementation. This includes, for example, equipment to establish PMU/PIU offices, consultants to support technical evaluations, third party monitoring, expert reviewer, safeguards and fiduciary auditing, construction quality assurance, communications and others.

The Asian Development Bank is financing a North Karnataka Urban Sector Improvement Program

(US\$ 440 million) to address sanitation gaps in the project cities; hence sanitation investments are not proposed under the Bank project.

4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

Three cities, Hubballi-Dharwad, Kalaburagi and Belagavi located in the same region of the state have also been subject to extensive evaluations including Environment and Social Assessments. . As of March 31, 2016, the Bank and Government of Karnataka have determined that Hubballi-Dharwad qualifies as an eligible city and this ISDS relates to Hubballi-Dharwad.

Hubballi-Dharwad is the second largest city in the state by population and is located located in the arid / semi-arid northern region of the state. Geologically, the city is located in the Deccan Plateau is known for the limited water resources (both surface and sub-surface). The Environmental and Social Assessment (ESAs) carried out for Hubballi-Dharwad does not indicate presence of any sensitive environmental features in the city.

The assessments however indicate low water supply and sanitation services and declining ground water levels in Hubballi-Dharwad. The project by virtue of the proposed water supply improvements would lead to positive improvements in the quality of water delivered to the consumers (due to reduced cross contamination and leakages) and associated health improvements (due to reduced incidences of water borne diseases). The issue of wastewater management was analyzed in the project and concluded that the ongoing activities in the city is expected to ensure that the wastewater generated in the city is adequately managed.

5. Environmental and Social Safeguards Specialists

Harinath Sessa Appalarajugari (GEN06)

Ramachandran R. Mohan (GSU06)

Suryanarayana Satish (GSU06)

Venkata Rao Bayana (GSU06)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The Project is expected to cause moderate environmental impacts during the construction phase of the project. Hence, the project has been categorized as 'Category B' and OP 4.01 has been triggered.
Natural Habitats OP/BP 4.04	No	The project activities in Hubballi-Dharwad don't pass through / impact any natural habitats and the environmental assessments for the respective cities confirm this. Hence OP 4.04 is not triggered.
Forests OP/BP 4.36	No	The project activities in Hubballi-Dharwad don't pass through / impact any forest areas and the environmental assessments for the respective cities confirm this. Hence OP 4.36 is not triggered
Pest Management OP 4.09	No	The project activities in Hubballi-Dharwad don't involve increase use of pesticides and associated issues. OP 4.09 hence is not triggered.
Physical Cultural	Yes	This policy is triggered on a "chance find" basis. EMPs

Resources OP/BP 4.11		and ECoPs include a provision to prepare a suitable plan, during chance find scenario.
Indigenous Peoples OP/ BP 4.10	No	The Environmental and Social Assessment conducted in Hubballi-Dharwad reveals that there are no indigenous/ tribal habitations present in the project cities with unique socio-cultural identity as detailed in the OP 4.10. The Study reveals that the people living in the project cities are typical mainstream urban dwellers. OP 4.10 has, therefore, not been triggered.
Involuntary Resettlement OP/BP 4.12	Yes	OP/BP 4.12 has been triggered to effectively manage involuntary resettlement in case of acquisition of any private lands. Direct purchase or land exchange methods will also be followed for obtaining lands.
Safety of Dams OP/BP 4.37	Yes	The project relies on the performance of two existing dams, each higher than 15m, to deliver water services in the three cities. The water supply systems draw directly from the reservoirs controlled by these dams or depend on their operation for ensuring supplies. As such OP4.37 “Safety of Dams” is triggered.
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>The project interventions relating to improvement /upgradation of (a) transmission/feeder mains (b) treatment plants (c) pumping stations (c) service reservoirs (d) rehabilitation/replacement of distribution network and (e) house service connections are expected to have environmental and social impacts. Environmental and Social Assessments carried for Hubballi-Dharwad, identifies no large scale significant impacts, but temporary impacts during construction.</p> <p>The temporary impacts include safety hazards to the local communities and the construction workers, temporary disruption of traffic and other utilities, elevated noise and dust levels etc. The ESA has recommended an environmental management plan (EMP) to be implemented during the implementation of the project. In addition an Environmental Code of Practice (ECoP) has also been developed to ensure that the environmental issues during the operation phase are addressed and managed by the operator.</p> <p>It is also important to note that the water supply to Hubballi-Dharwad depends on two dams, each higher than 15m - Neersagar and Malaprabha. Assessments for these dams were carried out by the ‘Lead Dam Safety Specialist’ of the Bank and have recommended (i) preparation of O&M Plan (ii) Emergency Preparedness Plan and (iii) civil and mechanical measures to improve the structural and hydraulic integrity of these dams at a cost of US \$ 1 million. These activities will be</p>
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implemented by the borrower and compliance with OP 4.37.

As regards to the social impacts, the assessments and household surveys present no significant and/or irreversible adverse social issues. The investment on the physical component of the project will yield net positive impacts. Land assessments through ESA indicate that large part of land requirement are met through transfer of Government owned lands and from Public Institutions, the land acquisition from private people is very marginal. The overall requirement of land in Hubballi-Dharwad is estimated at about 6 ha, of which 5 ha belongs to the government and is free of encumbrances, squatters and encroachers. Thus, private land requirement works out to 1 ha across three land parcels. As the requirement is quite small, the Project will explore securing lands through purchases at a negotiated price. Operational Policy on Involuntary Resettlement (OP/BP 4.12) has been triggered to effectively manage involuntary resettlement.

Similarly the ESA indicates that there are no tribal habitations with unique socio-cultural identity vis-à-vis the mainstream population in the Project locations. OP 4.10 has, therefore, not been triggered based on these assessments. The assessments reveal that: (a) the proposed capital works will be located in urban locations which are non-tribal/non indigenous areas; and (b) the population is mainly urban in character and are essentially non-tribal/non indigenous in culture.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

Water Supply improvement / augmentation projects are indirectly expected to increase the generation of wastewater in the respective cities. Similarly, the proposed continuous water supply in Hubballi-Dharwad could increase the wastewater generation and would require enhancement of associated collection and treatment infrastructure. A review of the sewerage and sanitation systems in the city indicates that sanitation systems cover about 85% of the households. Further, about 70 % of the households are connected to sewers. The sanitation levels are expected to further improve with more households expected to be connected to sewer systems in future through ongoing state and National programs such as ADB funded NKUSIP. At the current estimates, 27,999 households in Hubballi –Dharwad need to be connected to safe sanitation systems. These improvements will be implemented by the local bodies in parallel to the water supply ‘Service Improvement Plans’ to be implemented by the operator.

The assessment also indicates that the adverse environmental impacts will be triggered from the construction related activities. These impacts are mostly temporary and limited within the project boundary. Almost all the works such as transmission lines, pumping stations and treatment plants are using government lands and involve minimal land acquisition from private land owners. By constructing water supply infrastructure for continuous water supply, additional infrastructure will be created that helps in reducing resource wastage and accrues social benefits.

According to the RPF and ECoP, both environmental and social screening will be performed of any potential indirect or long-term adverse impacts and taking necessary mitigation measures to ensure minimal impacts. If new treatment plants require land acquisition, they will require site specific Social Impact Assessments and Resettlement Action Plans (RAPs) in accordance with the RPF.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

The project has considered number of technical alternatives to ensure continuous water supply to the city. These options have been provided as initial design options for the ‘Operator’, which may

be considered in arriving at optimum design that ensures minimum impacts and desired level of service. To help these designs, the project has developed an 'Environmental Code of Practice' that provides a guidance to the operator in minimizing the environmental impacts on the project communities. These measures and relevant alternative will be binding on the operator to consider while delivering the continuous water supply to the city

It is explicitly stated in the RPF that besides engineering considerations, social impact will also be reviewed before finalizing the alignments. The alignments with no or minimum impacts on land and land acquisition will be finalized.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The borrower has carried out 'Environmental and Social Assessment (ESA)' for Hubballi-Dharwad broadly identify the potential safeguard issues that may arise during the design, construction and operation phase of the proposed continuous water supply facility to the project cities. Based on the assessments, an Environmental Management Plan, an 'Environmental Code of Practice (ECoP)' and the Resettlement Policy and Framework have been developed for the project. The management plan developed as part of the ESA and the ECoP have been integrated in the contracts of the 'operator' to ensure that the safeguard issues are integrated in the project activities and the impacts are minimized. The ECoPs and the RPF will be the guiding documents for sub project-specific: (i) environmental/social screening; (ii) impacts assessment; (iii) consultation and disclosure; (iv) preparation of environmental/Resettlement Action Plans (EMP/RAP) (v) integration of costs into bid documents and special environmental clauses for constructions/civil works etc.

The Project has developed a Grievance Response Mechanism (GRM) to address the concerns of the stakeholders, receive suggestions and address complaints and grievances about the project and any irregularities in application of the guidelines adopted in this framework for inclusive project design, assessment and mitigation of social and environmental impacts. Complaints may also submitted to the Bank's Grievance Redress Service (GRS).

There will be Environment and Social Specialists at the PMU level to review, supervise and monitor activities for environmental and social safeguards compliance of all subprojects. To validate and enhance the capacities, orientation programme on social and environment will be conducted from time to time for implementation stake holders.

In addition the Borrower, has implemented five infrastructure projects with the financial assistance from The World Bank and Asian Development Bank. The environmental unit of the implementing agency has developed good safeguard management capacity by virtue of these projects, which will help in better implementation and management of safeguards.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The communities in Hubballi-Dharwad, the ULB and water supply utilities of the respective cities are the key stakeholders for the project. All these stake holders have been consulted as part the assessment carried out by the borrower in ESA. In addition, the borrower has carried out a separate study aimed at 'Communication and Social Intermediation Strategy (CSIS)' for the project. Stake holders were also consulted as part of this study. Both these efforts and series of public consultations ensure that the project affected people are adequately consulted and their views / concerns are addressed. Based on the recommendation of the CSIS, the borrower will have

agencies to implement the CSIS strategy during the implementation phase of the project.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	19-Dec-2014
Date of submission to InfoShop	08-Jan-2015
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
India	07-Jan-2015
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	19-Dec-2014
Date of submission to InfoShop	08-Jan-2015
"In country" Disclosure	
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.11 - Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

Is physical displacement/relocation expected? Provided estimated number of people to be affected	Yes [] No [] TBD []
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods) Provided estimated number of people to be affected	Yes [] No [] TBD []
OP/BP 4.37 - Safety of Dams	
Have dam safety plans been prepared?	Yes [<input checked="" type="checkbox"/>] No [] NA []
Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?	Yes [] No [<input checked="" type="checkbox"/>] NA []
Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?	Yes [<input checked="" type="checkbox"/>] No [] NA []
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [] NA []
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [] NA []
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [] NA []
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [] NA []
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [] NA []
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [] NA []

III. APPROVALS

Task Team Leader(s):	Name: William D. Kingdom	
Approved By		
Safeguards Advisor:	Name: Maged Mahmoud Hamed (SA)	Date: 03-Mar-2016
Practice Manager/ Manager:	Name: Ousmane Dione (PMGR)	Date: 04-Mar-2016